



8011-01p
SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request
Copies Available From:

Securities and Exchange Commission
Office of Investor Education and Advocacy
Washington, DC 20549-0213

Extension:

Rules 17h-1T and 17h-2T SEC File No. 270-359 OMB Control No. 3235-0410

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) ("PRA"), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension of the previously approved collection of information provided for in Rules 17h-1T and 17h-2T (17 CFR 240.17h-1T and 17 CFR 240.17h-2T), under the Securities and Exchange Act of 1934 (17 U.S.C. 78a et seq.) ("Exchange Act").

Rule 17h-1T requires a broker-dealer to maintain and preserve records and other information concerning certain entities that are associated with the broker-dealer. This requirement extends to the financial and securities activities of the holding company, affiliates and subsidiaries of the broker-dealer that are reasonably likely to have a material impact on the financial or operational condition of the broker-dealer. Rule 17h-2T requires a broker-dealer to file with the Commission quarterly reports and a cumulative year-end report concerning the information required to be maintained and preserved under Rule 17h-1T.

The collection of information required by Rules 17h-1T and 17h-2T, collectively referred to as the "risk assessment rules," is necessary to enable the Commission to monitor the activities of a broker-dealer affiliate whose business activities are reasonably likely to have a material

impact on the financial or operational condition of the broker-dealer. Without this information, the Commission would be unable to assess the potentially damaging impact of the affiliate's activities on the broker-dealer.

There are currently 275 respondents that must comply with Rules 17h-1T and 17h-2T. Each of these 275 respondents requires approximately 10 hours per year, or 2.5 hours per quarter, to maintain the records required under Rule 17h-1T, for an aggregate annual burden of 2,750 hours (275 respondents X 10 hours). In addition, each of these 275 respondents must make five annual responses under Rule 17h-2T. These five responses require approximately 14 hours per respondent per year, or 3.5 hours per quarter, for an aggregate annual burden of 3,850 hours (275 respondents X 14 hours).

In addition, there are approximately twenty-five new respondents per year that must draft an organizational chart required under Rule 17h-1T and establish a system for complying with the risk assessment rules. The staff estimates that drafting the required organizational chart requires one hour and establishing a system for complying with the risk assessment rules requires three hours, thus requiring an aggregate of 100 hours (25 new respondents X 4 hours). Thus, the total compliance burden per year is approximately 6,700 burden hours (2,750+ 3,850 + 100).

Rule 17h-1T specifies that the records required to be maintained under the Rule must be preserved for a period of not less than three years. There is no specific retention period or record keeping requirement for Rule 17h-2T. The collection of information is mandatory and the information required to be provided to the Commission pursuant to the risk assessment rules is deemed confidential, notwithstanding any other provision of law under Section 17(h)(5) of the

Exchange Act (15 U.S.C. 78q(h)(5)) and Section 552(b)(3)(B) of the Freedom of Information Act (5 U.S.C. 552(b)(3)(B)).

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid OMB control number.

Background documentation for this information collection may be viewed at the following website: www.reginfo.gov. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an e-mail to: Shagufta_Ahmed@omb.eop.gov; and (ii) Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 6432 General Green Way, Alexandria, VA 22312 or send an email to: PRA_Mailbox@sec.gov. Comments must be submitted to OMB within 30 days of this notice.

Kevin M. O'Neill
Deputy Secretary

July 24, 2012